

Accepted Manuscript

Title: Is education really underfunded in resource-rich economies? Evidence from a panel of U.S. states

Author: Alexander James

PII: S0928-7655(17)30116-1
DOI: <http://dx.doi.org/doi:10.1016/j.reseneeco.2017.04.004>
Reference: RESEN 1020

To appear in: *Resource and Energy Economics*

Received date: 13-3-2015
Revised date: 13-7-2016
Accepted date: 12-4-2017



Please cite this article as: Alexander James, Is education really underfunded in resource-rich economies? Evidence from a panel of U.S. states, *Resource and Energy Economics* (2017), <http://dx.doi.org/10.1016/j.reseneeco.2017.04.004>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

Is education really underfunded in resource-rich economies? Evidence from a panel of U.S. states

Alexander James*

July 11, 2016

Abstract

Existing development literature has argued that natural-resource endowments “curse” economic prosperity by reducing expenditures on education. According to this theory, public and private agents lack sufficient foresight to make optimal economic decisions and become poor as a result. Using a panel of U.S. state-level data, this paper offers evidence to the contrary. Public spending on education in resource-rich states greatly exceeds that in resource-scarce ones, and private education services are imperfectly crowded out as a result. Analyzing a broader set of public education outcomes reveals that relative teacher salaries, public enrollment rates, and teacher-student ratios tend to move pro-cyclically with resource booms and busts. Weaker evidence is provided that graduation rates fall in response to resource booms, perhaps reflecting a rise in the opportunity cost of going to school for working-age students.

Keywords: Natural Resources, Education Expenditures, Education Attainment, Resource Curse.

JEL Classification: Q4; H4; I2

*University of Alaska Anchorage, Department of Economics and Public Policy, 3211 Providence Dr. Anchorage, AK 99508. alex.james@uaa.alaska.edu

Download English Version:

<https://daneshyari.com/en/article/5104089>

Download Persian Version:

<https://daneshyari.com/article/5104089>

[Daneshyari.com](https://daneshyari.com)